NOTIFICATION.

(LAW DEPARTMENT).

No. LAW 190 LCR 65, Bangalore dated the, 15th September 1965.

Ordered that the accompanying Notification No. G.S.R, 1097 dated 26th July 1965, of the Department of Company Affairs, and Insurance regarding the Company's Liquidation Account Rules, 1965 which has been published in the *Gazette of India*, Part II, Section 3, sub-section (i), dated the 31st July 1965, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore.

B. RAMACHANDRA RAO,

Under Secy. to Govt., L. I.

161

GOVERNMENT OF INDIA

DEPARTMENT OF COMPANY AFFAIRS AND INSURANCE

NOTIFICATION

New Delhi, the 26th July 1965

THE COMPANY'S LIQUIDATION ACCOUNT RULES, 1965.

G. S. R. 1097.—In exercise of the powers conferred by sub-section (3) of section 555, read with sub-section (1) of Section 642, of the Companies Act, 1956 (1 of 1956), the Central Government hereby makes the following rules, namely:—

1. **Short Title.**—These rules may be called the Company's Liquidation Account Rules, 1965.

2. Definitions.—In these rules, unless the context otherwise requires,—

(a) "Act" means the Companies Act, 1956 (1 of 1956 ;

(b) "Liquidator" means the liquidator of a company appointed under the Act or the Banking Companies Act, 1949 (10 of 1949);

(c) "Reserve Bank" means the Reserve Bank of India and includes its branches and agencies;

(d) "Annexure" means an annexure to these rules.

3. Head of Account.—All moneys representing unpaid dividends or undistributed assets in the hands or under the control of the liquidator which, under sub-sections (1) and (2 of section 555 of the Act, are required to be paid into public account of India, shall be paid into the Reserve Bank within a period of fourteen days from the date on which the moneys became so due to the credit of the Company's Liquidation Account (hereinafter referred to as the said Account) under the major head 'Civil Deposits' in section 'T'–Deposits and advances–Part II–Deposits not bearing interest–(c)–other Deposit Accounts—Departmental and Judicial Deposits. The said moneys shall be paid into an office of the Reserve Bank situated in the State in which the registered office of the company in liquidation is situated :

Provided that in respect of the amounts paid under sub-section (2) of section 17 of the Deposit Insurance Corporation Act, 1961 (47 of 1961) and any provision for unpaid amounts made under section 20 of that Act by the Deposit Insurance Corporation, the Liquidator shall make payment to the Corporation as required by clause (a) of sub-section (2) of Section 21 of the Act.

4. Payment of Investment and Deposits.—Any money belonging to a company under liquidation which the liquidator has invested or deposited at interest shall, when such money forms part of the unclaimed dividends or undistributed assets of the company, be realised, or, as the case may be, be withdrawn and paid to the credit of the said Account.

5. Operation of the Account.—The said Account shall be operated by the Registrar of Companies of the State in which the registered office of the company in liquidation is situated.

6. Maintenance of account by the Registrar.—The Registrar of Companies shall cause to be maintained in his office separate accounts in respect of each company whose unpaid dividends or undistributed assets are deposited in the said account.

7. Statement to Registrar.—The Liquidator shall, when making any payment to the credit of the said Account, furnish to the Registrar of Companies concerned a statement in the form set out in Annexure I containing the particulars specified in sub-section (3) of section 555 of the Act.

8. Claims for payment through Court.—Any person who claims to be entitled to any money paid into the said Account and who makes an application to the court under clause (a) of sub-section (7) of section 555 of the Act, for payment of such money, shall state whether he has made any application to the Central Government for the payment of the money and if so, the result of the application.

9. Claims for payment through Central Government.—(1) Any person applying to the Central Government under clause (b) of sub-section (7) of section 555 of the Act shall make such application under his own signature or through a power of attorney-holder, giving details of the amount and the name of the company from which the amount is due to him.

(2) Every such application shall be accompanied by a treasury chalan in token of payment of fees chargeable for the amount of the claims in terms of the Companies (Fees on applications) Rules, 1961. Such fee shall be deposited into the Government Treasury under the head "XXI—Miscellaneous Departments—Miscellaneous—Registration of joint Stock Companies"

(3) The application received by the Central Government shall be sent to the Registrar of Companies concerned who shall verify from his records and certify whether the claimant is entitled to the money claimed by him and whether according to the records with the Registrar, no application from the claimant is pending in any court for payment of the money.

(4) The Central Government may direct the Registrar of Companies concerned to obtain from the Liquidator of the company, in case the company has not been finally wound up, a report certifying whether the claimant is or is not entitled to the whole or any part of the amount claimed and on receipt of a communication from the Registrar in that regard, the Liquidator shall submit a report to the Central Government through the Registrar specifying the amount, if any, to which the claimant is entitled.

(5) Where the claimant's title to the aforesaid money has been established to the satisfaction of the Central Government, that Government shall direct the claimant (not being the Central Government itself, a State Government, a Government company within the meaning of section 617 of the Act or a local authority) to execute an indemnity bond with or without surety in the form set out in Annexure II or as near thereto as may be on a non-judicial stamp paper of the value payable in the State of execution or acceptance.

(6) On receipt of the report referred to in sub-rule (4) and the indemnity bond, if any, duly executed by the claimant, the Central Government shall issue a payment order sanctioning the payment of the amount due to the claimant.

(7) Notwithstanding anything in sub-rule (4) of sub-rule (5), the Central Government may, where the amount claimed is not more than five hundred rupees and the claimant establishes his title to the money to its satisfaction, issue an order sanctioning the payment of the amount due to the claimant.

(8) The claimant, on receipt of the order under sub-rule (6) or sub-rule (7) shall obtain payment of the amount from the Registrar of Companies concerned or such other egistrar of Companies as may be specified in that order after delivering to him a stamped receipt bearing the signature of two witnesses.

(9) The Registrar of Companies concerned shall, in the accounts maintained by him, cause a note to be made therein of any payment having been made.

ANNEXURE I

(*See* rule 7)

* Here state whether it is a winding-up by or subject to the supervision of the Court, or members' Voluntary winding-up or ceditors' voluntary winding-up. If a winding-up by Court, state the number of the petition and the date of the order.

Statement of unclaimed dividends or undistributed assets, paid under section 555 (1) *and* (2) *in to the Company's Liquidation Account in the Reserve Bank of India* [*to be furnished under section* 555 (3)].

Name of the company

Nature of the proceeding*

Date of commencement of winding-up

Date of payment into the Company's Liquidation Account.

I. Particulars of the unclaimed dividends paid into the Company's Liquidation Account in the Reserve Bank of India.

Number on list of creditors	Name of the Creditor to whom the dividend is due	Last known address of creditor	Date of declaration and rate of dividend		Total amount of dividend payable	Last date when payable	Amount paid into Company's liquidation Account	Remarks
			Date	Rate				
1	2	3	4	5	6	7	8	9
					Total			

II. Particulars of undistributed assets paid, to the Company's Liquidation Account in the Reserve Bank of India.

Number on list of contributories.	Name of contributory.	Last known address of contributory.	Date of declaration and rate of return		Total amount of return payable.	Last date when Payable.	Amount paid into company's Liquidation Account.	Remarks.
			Date	Rate				
1	2	3	4	5	6	7	8	9

Total
Rs. P.

Total amount of unclaimed dividends paid into the Company's Liquidation Account.....

Total amount of undistributed assets paid into the Company's Liquidation Account.....

Total amount paid under both heads.....

Dated the.....day of.....19

(Sd.) Liquidator (s).

ANNEXURE II

[*See* Rule 9 (5)]

This DEED OF INDEMNITY made this.....day of.....between .....[please see note (I).....] son of.....residing at.....hereinafter referred to as the principal party (which expression shall unless excluded by or repugnant to the context include his heirs, executors, administrators, legal representatives and assigns) of the first part..... [please see Note (II).....] son of..... residing at..... .....hereinafter referred to as the surety, (which expression shall unless excluded by or repugnant to the context include his heirs, executors, administrators, legal representatives and assigns) of the second part AND President of India hereinafter referred to as the 'Government' (which expression shall unless excluded by or repugnant to the context include its successors and assigns) of the third part;

Whereas [Please see Note (III).....] Limited went into liquidation ;

And whereas the Official Liquidator of the said company paid and deposited in the Company's Liquidation Account in the public account of Government of India the balance of the moneys in his hands or under his control representing unclaimed dividends payable to the creditors and/or undistributed assets refundable to contributories, which remained unclaimed and/or undistributed for over six months after the same become payable ;

Whereas the amount deposited into the Company's Liquidation Account includes a sum of Rs.....payable as dividend/ undistributed assets to Shri..... state the name of the person in whose name the amount stands deposited) as a Creditor/ Contributory ,

AND WHEREAS the Principal party claims to be solely entitled to the said sum of Rs..... [as heirs/executors/administrators/ legal-representatives/assigns] [Please see Note (IV)];

And WHEREAS THE Principal party could not file his claim to Liquidator for the said sum on account of.....[Please see note 'V).....];

AND WHEREAS THE Principal party or any other person on his behalf has not made an application in any court for any order for payment of the said sum of Rs.....and no such application is pending in any court of law in the Union of India ;

A D WHEREAS the principal party has requested the Govern ment to make payment of the said sum of money claimed by him out of the said Company's Liquidation Account with regard to the said company ;

AND WHEREAS THE Government has agreed to pay the said sum so claimed by the principal party on his executing an indemnity in the manner following ;

NOW THIS DEED WITNESSETH that in pursuance of the said agreement and in consideration of the payment by the Government to the principal party of the sum of Rs ——————the prinicpal party and the surety hereby jointly and severally undertake and bind themselves to pay to the Government on demand and without demur the said sum of Rs..... together with interest at 6 percent per annum, in the event of the said sum being found to be not payable to the principal party (and the decision of the Government in this behalf shall be final and binding on the parties) and the principal party and the surety hereby further undertake that they will at all times indemnity and keep the Government indemnified and harmless from all liabilities with regard to the payment made to the principal party as aforesaid and against all actions, claims and demands, costs, damages and expenses which may be levied, brought or made against the Government by any person by reason of the pay- ment being made by the Government of the said sum as aforesaid.

IN WITNESS whereof the parties hereto have set their respective hands the day and the year first above written.

Signature of the Principal Party.

Signed, sealed and delivered by the Principal Party who is personally known to me and signed in my presence.

Signature of witness..... Signature of Surety.

His occupation & address

The Surety is personally known to me and signed in my presence.

Signature of Witness..... Accepted.....

His occupation & Address.....for and on behalf of the Company

Law

NOTES:—

(I) Here quote the name of claimant who is the Principal party.

(II) Here quote the name of the Surety, if any.

(III) Here quote the name of the company in respect whereof the payment is being made.

(IV) The portion in brackets may be retained where applicable *i.e.* in cases where the amount does not stand to the credit of the principal party.

(V) Here state the reasons why the claimant could not receive moneys now claimed earlier.

(VI) In the case of an executant who is not well conversant with English the deed should be properly read over and explained by a competent person who should attest to that effect.

Please strike off whatever are not necessary or appropriate

CERTIFICATE OF SOLVENCY.

This is to certify that Shri.....S/o Shri.....of .....is personally known to me and that he is solvent enough to stand surety for the sum of Rs..... only.

Date

Signature of the Gazetted Officer,
Revenue Officer or a member of municipality.

Designation with the stamp of office.

[No. 5/6/65-CL.V.]

PARASURAMAN, Under Secy.